

University of Montana

## ScholarWorks at University of Montana

---

Graduate Student Theses, Dissertations, &  
Professional Papers

Graduate School

---

1942

### Study of income control in Montana homes

Georgia Cullum Roosevelt  
*The University of Montana*

Follow this and additional works at: <https://scholarworks.umt.edu/etd>

**Let us know how access to this document benefits you.**

---

#### Recommended Citation

Roosevelt, Georgia Cullum, "Study of income control in Montana homes" (1942). *Graduate Student Theses, Dissertations, & Professional Papers*. 3715.  
<https://scholarworks.umt.edu/etd/3715>

This Thesis is brought to you for free and open access by the Graduate School at ScholarWorks at University of Montana. It has been accepted for inclusion in Graduate Student Theses, Dissertations, & Professional Papers by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact [scholarworks@mso.umt.edu](mailto:scholarworks@mso.umt.edu).

A Study of Income Control in Montana Homes

A survey taken of several hundred homes in Montana to determine what methods are used in handling the family income, and an analysis and interpretation of these methods with recommendations for future home financial policies.

by

(Mrs.) Georgia Callum Roosevelt

B. S. Montana State College of the  
University of Montana, 1944.

Presented in partial fulfillment of  
the requirement for the degree  
of Master of Arts.

Montana State University

1942.

Approved:

*Helen Gleason*

Chairman of Board  
of Examiners.

*W. G. Bateman*

Chairman of the Committee  
on Graduate Study.

UMI Number: EP34978

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



UMI EP34978

Published by ProQuest LLC (2012). Copyright in the Dissertation held by the Author.

Microform Edition © ProQuest LLC.

All rights reserved. This work is protected against  
unauthorized copying under Title 17, United States Code



ProQuest LLC.  
789 East Eisenhower Parkway  
P.O. Box 1346  
Ann Arbor, MI 48106 - 1346

## TABLE OF CONTENTS

CHAPTER	PAGE
I. THE PROBLEM AND DEFINITIONS OF TERMS USED. . . . .	1
The problem . . . . .	1
Statement of the problem . . . . .	1
Importance of the study . . . . .	1
Definitions of terms used . . . . .	3
Budget . . . . .	3
Children's Allowances . . . . .	4
Installment Buying . . . . .	4
Insurance . . . . .	4
II. REVIEW OF THE LITERATURE . . . . .	5
Budget Studies . . . . .	5
Children's Allowances . . . . .	7
Wills and Trust Funds . . . . .	7
Installment Buying . . . . .	8
III. REVIEW OF PREVIOUS RELATED STUDIES . . . . .	9
Bureau of Labor Statistics . . . . .	9
Survey by American Home Economics Association, 1929 . .	9
Early Budget Studies . . . . .	12
Consumer Purchases Study . . . . .	12
IV. METHOD OF PROCEDURE AND SOURCES OF DATA . . . . .	15
Questionnaire Method . . . . .	15
Groups Studied . . . . .	16

CHAPTER	PAGE
V. REPORT OF STUDY, RESULTS AND DISCUSSION . . . . .	18
The Family . . . . .	18
The Budget . . . . .	19
Family Cooperation . . . . .	27
Home Ownership . . . . .	29
Children's Allowances . . . . .	32
Insurance . . . . .	36
Wills . . . . .	40
Installment Buying . . . . .	41
Education in Family Finance . . . . .	45
The Home Economics Curriculum and Family Finance . . . . .	47
VI. SUMMARY AND CONCLUSIONS . . . . .	52
VII. RECOMMENDATIONS . . . . .	57
APPENDIX . . . . .	72
BIBLIOGRAPHY . . . . .	85

## CHAPTER I

### THE PROBLEM AND DEFINITIONS OF TERMS USED

In the complex system of American civilization, the home life of the citizen forms an important part. No longer is the patriarchal type of family life accepted as that which is, or should be prevailing at the present time. It belongs to a past generation and in its place has come a home democracy. With democracy has come more responsibility for the homemaker, and the greatest, most exacting of the new responsibilities, next to the care and development of the children in the home, is that of handling of the finances of the family.

#### I. THE PROBLEM

Statement of the problem. It was the purpose of this investigation

1. To obtain information concerning some of the financial problems facing the homemakers in Montana.
2. To learn how these problems were being solved.
3. To make a comparative study of the money management habits of homemakers, who have had Home Economics training, and those who have not had such training.

Importance of the study. The reasons for undertaking this investigation were four-fold.

1. Women are given the responsibility of spending approximately eighty-five per cent of the family income. To quote from <sup>1</sup>Miss Sophia Blivens, "Men may make most of the money, but women buy about eighty-five per cent

of all products sold, in addition to owning forty per cent of property, and all beneficiaries under eighty per cent of the life insurance in force, and sixty-four per cent under estates of all other property." If, then, this great responsibility is theirs, how are women meeting such responsibility?

2. It has been claimed that women do not use even the most simple business methods in handling finances of the home; that there is little wise planning of income and expenditures; that there is too much installment buying; that children in homes are not taught the value of money; that there is insufficient life or health insurance to care for emergencies; that too few men have wills, and that women know nothing about executing these wills.

3. Scarcely an article in current magazines, newspapers or advertisements, which apply to family finances is written without using the word "budget." If budgeting the income is so important to successful management of the finances of the household, are homemakers using this system? If not, why not?

Is the budget system of handling finances the best system? If not, where does it fail? Is there another system available that could be used in homes with more success? Could a better system be devised?

If women are unbusiness-like in the handling of family finances, and do not use the budget system, wherein lies the fault?

4. Homemakers, who have been trained in Home Economics should have an advantage over those without such training, not only in home management, child care and nutrition, but in money-management. The criticism has been advanced that, among the many courses offered in Home Economics in Uni-

versities and Colleges, this most important phase of home-making has been neglected, and that Home Economics homemakers know little more about handling of family finances than those homemakers who have not had such training.

It was, therefore, to find answers to these questions, with the hope of aiding in the formulating of future policies for better home financial management that this problem was undertaken.

## II. DEFINITIONS OF TERMS USED.

Although most of the terms used in this study are clear, there is a difference in interpretation of some terms, so for that reason the following words and phrases are defined:

Budget. According to Webster's Collegiate Dictionary, a budget is "a financial statement of estimated income and expenses—for a period of time; also a plan for financing, based on such a statement."

I. <sup>2</sup> Andrews defines a budget as follows: "The family budget is a detailed schedule of anticipated household income and its allotment into proposed expenditures, drawn up as a guide."

II. <sup>3</sup> Owens defines the budget as "a definite, calculated plan of spending for a certain future period. It is a plan to show, in detail, how an income can best be spent."

All three authorities, therefore, agree that the budget is a plan for expenditure of money.

There should be definite discrimination between "household accounts" and a "budget". The former is simply a record of money already spent, while the latter, as defined above, is a plan for future expenditures.



Children's Allowances. A child's allowance is a definite sum of money given the child regularly on a certain date, such as weekly or monthly. The sum varies with the age of the child; the family income; and what the child is expected to do with this sum of money. The object of an allowance being to teach the child the value of money.

Installment Buying. Webster's Collegiate Dictionary defines installment buying as "any portion of a debt or sum of money, divided so as to be payable at different times."

Insurance. The insurance considered in this study is only that of life; annuity; educational; and accident and health.

---

<sup>1</sup> Miss Sophia W. Bliven, "Where's that Rainbow?" Insurance Magazine, November, 1941. p. 79.

<sup>2</sup> Benjamin R. Andrews, Economics of the Household, Its Administration and Finance. Revised Edition (New York: The MacMillan Company, 1935) p. 127.

<sup>3</sup> David F. Owens, Controlling Your Personal Finances. (New York, McGraw-Hill Book Company, 1937), p. 50.

## CHAPTER II

### REVIEW OF THE LITERATURE

much has been written both in this country and abroad in regard to spending habits of families, and as may be seen from the books, periodicals, and magazine articles listed in the bibliography, attempts have been made for many years to give assistance in the solving of home financial problems.

First among the subjects considered in any study of home finance is that of the family budget. For a long time the budget has been offered as a means of wise spending of the income.

<sup>1</sup>"Spending the family income is one of the most important activities of the home. Your family's level of living depends both on how much income you have and how much 'living' you buy with this income. The latter depends only partly on the cost of goods and services. To no small extent it depends on how wisely you spend. — Wise spending depends upon a standard for measuring your needs. One of the best ways of measuring needs is to measure habits. Day by day home accounts can both give you your habit picture and furnish a guide for planning future spending. — Consumer accounts are a means to an end. The end is to spend wisely."

<sup>3</sup>Owens, in his book, "Controlling Your Personal Finances," states that budgeting has enjoyed a phenomenal growth in commercial circles during the past decade, because each year thousands of merchants are finding it essential to prepare a forecast<sup>2</sup> of expenditures for the ensuing year. The chief exponent of the budget system is the United States government,

which annually directs the expenditure of billions of dollars under a budget plan. The experience of commercial and government organizations is evidence of the value of the principles involved in budgeting.

<sup>3</sup>Owens; <sup>5</sup>Bigelow, in "Family Finance;" and <sup>2</sup>Andrews in "Economics of the Household;" this latter book designed as a text book for University Home Economics classes give some valuable aids on the subject of budget making.

<sup>6</sup>C. W. Taber, in his book "The Business of the Household" offered a good guide in helping control family finances but the book is out dated at present. One statement from Taber may be recorded here: "—there can be no sound plan for financing the family until some kind of a budget system has been adopted, and until a proper system of household accounting has been devised."

<sup>7</sup>Maxwell S. Stewart says: "Money occupies a large place in the thoughts of the majority of adults. Most men and women spend the greater part of their waking hours either in the activity for which they receive money or in exchanging it for the necessities and luxuries of every day living. Yet, although money-getting might be called a science in the sense that our business life is highly organized, spending tends, as a rule, to be largely hit-or-miss. Comparatively few families keep careful budgets, and fewer have any clear idea of how other people spend their money."

Cooperation among members of the family is desirable if not essential in the money plans of the family and has not received the attention of many authors. The following quotation from a booklet of the <sup>3</sup>House-

hold Finance Corporation Series, however, shows that some attention is being paid to this phase of the subject. "Managing successfully on a small income is a real achievement. Husband and wife must plan together how to apportion the available money among the various expenses to make ends meet. They must cooperate fully to carrying these plans through."

On the subject of Children's Allowances, very little has been written. It brought little surprise then, when returns from the questionnaire showed such a poor grasp of the subject. <sup>9</sup>"Managing the Home," by Woods, Lindquist and Studley, discusses the subject briefly.

Not only textbooks and many other publications but the various Insurance Companies discuss the value of insurance of all kinds. Many books and articles are available for study on this subject.

<sup>3</sup>Owens in Chapter XIX of his book "Controlling Your Personal Finances" sets forth very clearly the importance and necessity of every adult, especially the man in the home having a will. To quote from Owens: "It is the privilege and ordinarily the duty of every one to make a will and leave his estate in the best possible arrangement for the heirs.

"In numerous cases no will is left, largely because of failure to realize the importance of making a will. The result is that many estates are settled and distributed according to the laws of descent and distribution of various states. It is most unfortunate that this distribution may differ entirely from the intentions of the deceased, and lack in consideration of the needs of the beneficiaries.—Laws of the state regarding descent, distribution, and administration of property should be studied by consulting an attorney before the will is drawn.—The laws

of descent and distribution in the states vary a great deal. No person should take it for granted that the law of any state will be the same as that of his own.

"Death almost always creates confusion. Financial worries should not be added to the unhappiness of the grieving relatives. All that can be done to make it easier for the survivors should be done by the property owner when he is capable of using his best judgment."

Owens also points out the necessity of appointing a qualified executor of a will.

Since every state has its own laws regarding inheritance and division of property, the Montana State Code on this subject and that of the making of wills is given in the Appendix, Table No. I.

<sup>10</sup>"Debt has probably caused more misery than any other single factor in our daily lives. The high wages and profits of World War I brought about the installment system.

"Installment buying not only mortgages the individual for months ahead but at the same time tempts him to buy things for which he has no real need. Certainly one is wise to buy nothing more on installments until he has fully paid all present obligations. In times like these when wages in some lines are high and payrolls are large, "easy money" goes to the head of many individuals."

Some books on installment buying present subject matter which is biased, and not conducive to straight thinking on the problem.

In 1935,<sup>11</sup> Josephine Lawrence wrote a novel entitled "If I Have Four Apples." The book should be read by any one interested in household economics, for Josephine Lawrence in an entertaining manner of writing

has pointed out most graphically how the finances in the home may "get out of hand" and what happens when they do.

---

<sup>1</sup> Consumers' Guide, "Keeping Consumer Accounts," U. S. Government Publication. After 1935.

<sup>3</sup> David F. Owens. Controlling Your Personal Finances. 1937. McGraw-Hill Book Co. N. Y. Chapters V VI & VII.

<sup>5</sup> Howard F. Bigelow. Family Finance. A Study in the Economics of Consumption. (Chicago. J. B. Lippincott Company, 1936) Chapters XIV and XV.

<sup>2</sup> Benjamin R. Andrews. Economics of the Household, 1935. The MacMillan Co., N. Y. Chapters IV to VII.

<sup>6</sup> C. J. Taber, The Business of the Household. 1918. J. B. Lippincott Co. Philadelphia.

<sup>7</sup> Maxwell S. Stewart. How We Spend Our Money. 1941. Public Affairs Pamphlets, No. 18 (Revised) 30 Rockefeller Plaza, N. Y.

<sup>8</sup> Living On A Small Income, Household Finance Corp., Dept. of Research, Chicago, Ill. p. 10.

<sup>9</sup> Woods, Lindquist, and Studley, Managing The Home 1932. Houghton, Mifflin Co. N. Y. p. 127

<sup>10</sup> Roger W. Babson, Syndicated Article, in The Daily Missoulian, Missoula, Montana, Jan. 16, 1942.

<sup>11</sup> Josephine Lawrence, If I Have Four Apples. (New York, Frederick A. Stokes Co. 1935)

## CHAPTER III.

### REVIEW OF PREVIOUS RELATED STUDIES.

Some surveys, mostly under government supervision, have been made from time to time over some of the questions considered in this study. The subject of budgets has been studied from various aspects, as mentioned in Chapter II. Various government agencies, including the Extension Service in many States, have worked on the problem. The latter, however, have had for the most part the farm home in mind for consideration and study.

The Bureau of Labor Statistics of the United States Department of Labor in 1918, paid particular attention to the low income groups living in big cities, as the object of their attention. Very briefly, the results of this survey, covering 12,000 families in Eastern cities in the lowest income brackets, (under \$2,000 a year,) showed seventy per cent of these families had a surplus at the end of the year; twenty-four per cent had a deficit; and six per cent balanced income and expenditure. No particular money plan was used by these families. The complete results of these surveys may be found in the reports from the 12<sup>y</sup>. 3. Bureau of Labor Statistics.

13 The Bureau of Labor has also made studies as far back as 1890.

So far as is known, nothing has been done in Montana, among the middle class income group, those with yearly incomes ranging from \$1,500 to \$10,000.

14. In 1929, the committee on child development and parental education of the American Home Economics Association, with the help and cooperation

of the members of the two honor societies in Home Economics," namely, Omicron Nu and Phi Upsilon Omicron, made a study of what 355 families do and think regarding certain aspects of family life. This study was carried on by the questionnaire method and the group chosen was that of a "highly selected group of apparently successful homemakers." This study attempted a wide range picture of family life in general which included a study of money management in this group. A summarized report of this study is given in the Joint Issue, Fall, 1929, of The Candle of Phi Upsilon Omicron, Vol. XV. No. 1, and Omicron Nu Magazine of Omicron Nu, Vol. IX. No. II. Chapter VI, entitled "Harvesting and Harnessing the Dollars" and is of special interest to the study attempted in Montana. In this group of seemingly successful homemakers, the problems do not vary materially from those of the average or general homemakers, and the methods of solving these problems were little different from those of the average. The following paragraphs may well be quoted in this connection: "Among the problems which cause anxiety, the management of finance is second only to the development of the children..... If all the women who provide information on financial management are considered, three out of ten report that questions of money cause worry.... An appreciation of the need for a set of blue prints in order that each dollar may do its full, or double, duty is apparent, but there is a lack of information on a practical method of budgeting. How much ought a family to use for food, for housing, and for the other essential items? What plan can be used for making accounting simple and useful instead of a bug-bear? How much is a family justified in saving and ought they go without some of the necessities in order to meet the payments on investments? How can cooper-



ation of friend husband who thinks a family budget a lot of unnecessary detail be secured?..... The difficulty comes after the plan is made - in trying to live by it. These are the types of questions and comments which come most frequently from those who see in the harnessing of dollars, a means of improved relationships, increased satisfactions, and a more successful home."

As early as 1672 budget studies have been reported. At that time "Sir William Petty used estimates as to the average expenditures of workers' families as a basis for judging the possibilities of trade with Ireland, and of taxation in England."

In the latter part of 1935, a study of consumer purchases was planned, and inaugurated early in 1936. This study was undertaken by <sup>15</sup>The Bureau of Home Economics of the United States Department of Agriculture, and the Bureau of Labor Statistics of the United States Department of Labor, in cooperation with several other bureaus, "to provide data more comprehensive than any before available on the way American families earn and spend their incomes." The United States was divided into regions, and certain cities and villages in these regions were studied. In the Plains and Mountain Region, the only Montana city studied was Billings, Montana.

The survey conducted in 1929 by the American Home Economics Association and reported in the <sup>13</sup>Joint Issue of The Candle of Phi Upsilon Omicron and Omicron Nu Magazine, reported the following on the subject of Children's Allowances:

"In the matter of allowances for the children there is a wide variation as a result of the attitudes of the parents and the amount of system

in the home. Very nearly one in three report regular allowances and of these the majority begin at the age of six years or earlier. Several have started when the child is four years old while others have begun after the age of ten has been reached, but before the age of sixteen. The amounts vary from ten cents to the sum required for a year at school. The first allowances are used for personal needs, savings and gifts. As they are increased a part or all of the clothing is included and finally complete financial independence is established. In a third of the homes reporting allowances, the amount is supplemented by the father or mother if the need arises so that the weekly sum is not regarded as an inelastic one.

"Parents are divided on the question of whether the money allotted to the son and daughter should be regarded as pay received for doing household tasks. Those who believe that each member of the family should contribute to the welfare of the group and who feel that the income of the family should be apportioned on the basis of the need of each member and his ability to use his share wisely, outnumber those who favor wages for tasks by a ratio of two to one.-----

"Four-fifths of these families have adopted the plan of a regular allowance to be used for a part or all of the needs of the adolescents. Information is not given on the amount nor are the statements concerning the items which it covers complete. Personal expenses, savings, and clothing are mentioned by several, and a smaller number indicate church, gifts and school expenditures. Accounting to the parents for the money used is required in two homes."

---

12 U. S. Bureau of Labor Statistics. Monthly Labor Review, March, April, June Aug., Sept., Oct., Nov., Dec., 1918. See also Appendix A, Family Budgets of American Wage Earners, National Industrial Conference Board, 1921.

13 Sixth Annual Report, U. S. Commissioner of Labor, 1891.

14 The Candle of Phi Upsilon Omicron and The Omicron Nu Magazine. Joint Issue, Fall, 1929. Chap. 6, p. 30. pp. 34 and 35. p. 90

15 Consumer Purchases Study.  
Family Income and Expenditures.

Plains and Mountain Region

Part 1. Family Income

Part 2. Family Expenditures.

Miscellaneous Publication No. 345 and No. 396. U. S. Department of Agriculture in cooperation with the WPA.

## CHAPTER IV

### METHOD OF PROCEDURE AND SOURCES OF DATA

The questionnaire method of carrying out research has definite limitations but there are some types of research where it is a desirable one to use. With the consent and assistance of the Home Economics Department of Montana State University, a questionnaire was worked out and sent to Montana Homemakers accompanied by a letter requesting the information asked and giving reasons for sending out the questionnaire.<sup>a</sup>

Two hundred letters and questionnaires were mailed to homemakers, married and living in towns or cities in the State of Montana. It was the aim to select some homemakers from every section of the State, and in small towns as well as the larger cities. No questionnaires were sent to rural homes because there is more data available on this group as the result of the U. S. government and the State Extension Service surveys.

No career women were selected for this survey. It was felt that a better picture of the average home could be drawn if only those homemakers reported who were giving their full time to the profession of homemaking.

Many people are found to be reticent when it comes to discussing anything concerning their finances so, as was stated in the letter, it was left optional whether the questionnee signed the questionnaire or not. It was hoped that more answers would be received by not requiring

---

<sup>a</sup> Appendix. Forms II and III.

a signature. However, from the replies received, this feature made little difference, since only a very few (20) were returned unsigned.

Not asking for exact figures as to income, expenditures and division of income, but asking only for percentage figures was another feature of the questionnaire by which it was hoped more replies would be received. Without question, more replies were received than would have been possible had the questionnaire asked for the exact amount of income, etc.

One purpose of the questionnaire was:

1. To try and learn if Home Economics trained women were, by their training better equipped to assume the responsibility of handling the family income than those homemakers without such training.
2. To learn if Home Economics trained women were more systematic in the expenditure of the family income than those without such training.
3. To learn if Home Economics trained women felt that they had received sufficient training in their Home Economics courses to enable them to meet intelligently the problems of family finance.

With this in mind, one hundred questionnaires were sent to homemakers who had majored in Home Economics in college or university, and one hundred were sent to women, who were homemakers without this special training. This latter group included college graduates, college women, who had not graduated, women who had had business or other professional training, and women who had had no formal training beyond high school.

Of the one hundred questionnaires mailed to Home Economics trained women, fifty-three per cent were returned filled out. Ninety-four per cent were from graduates of University or College Home Economics courses, while six per cent were from women who had not taken a degree. Sixty-seven per cent of this Home Economics group signed the questionnaire; thirty-three per cent not.

Of the one hundred questionnaires mailed to non-Home Economics trained women, twenty-eight per cent were returned. Sixty-four per cent of these signed the questionnaire; thirty-six per cent did not.

## CHAPTER V.

### REPORT OF STUDY

#### RESULTS AND DISCUSSION

##### THE FAMILY

The families represented in this survey seem to indicate the average American middle-class; neither the high income level nor low income level. Financially, almost every occupation and business was represented: truck-drivers, food-store managers, morticians, and bank-presidents, and almost every profession: County Agricultural Agents, doctors, lawyers, engineers, and College Presidents. In general, the occupations of husbands presented a cross section of industry and profession in Montana.

The same was true concerning the number of years the couple had been married, and the size and ages of the children. Homemakers returning questionnaires were those who had been married only one year to those who had been married thirty years. There were homes represented which had no children to those having five children.

It was the aim to select the majority of families from those who had been married from five to twenty years. The reason for this being that those couples, who have been married a very short time, do not realize the problems which confront almost all families when babies arrive, illness comes, there is a loss of position, or adversities strike the home. After a home has been established for a few years, the homemaker, especially the trained homemaker, can figure better how to adjust the budget to help care for the unexpected, which often attacks the family

income. Those couples, who have been married over twenty or twenty-five years, frequently take the fatalistic point of view, and figure that if they haven't used a system of expenditure and seen results before that time, it is too late to start then.

The ages of the children were those of less than a year to those of twenty-six years. Some of the older children were living at home, but the majority were either married; in the U. S. Service; or self-supporting.

Replies to questionnaires were very slow in being returned, so reminder cards were mailed to those who had failed to send in their answers. Personal conferences with many who had failed to reply revealed the fact that these homemakers used no system whatever in handling the family finances, and felt that such an admission showed lack of management on the part of the homemaker, and they preferred not to admit this laxity on their part. Others, whose incomes were not stable, failed to note that there were other questions asked, aside from that of income, and because they did not divide the income systematically, felt it unnecessary to return the questionnaire.

#### THE BUDGET.

The first question in the questionnaire (Appendix, Form III), directly concerned with the management of finances in the home was that in regard to the use of a budget in planning family expenditures. The replies showed that very few use a budget system of planned expenditures. Only thirty-three per cent of the total number reporting planned family expenditures with the help of a budget. Since so few use this system, is



there something wrong with the system? Could another system be more usable? Could the fault be in lack of understanding as to the use of a budget system, rather than in the system itself?

Economists, home economists, business executives, and as quoted from <sup>3</sup>Owens, "even the United States government" are convinced that the budget system of planned expenditures for any business including the business of managing a home is the best system yet devised. Why, then, isn't the budget system used more extensively in the home?

From replies received to question six in the questionnaire, the main difficulty homemakers experience when trying to use a budget is, that they lack an understanding of what a budget is. Too often the budget is confused with household accounts. Although the two go hand in hand, they differ basically. Household accounts are frequently taken too seriously. Keeping an account of expenses is sometimes burdensome because of the systems used and because many people have the wrong conception of the purpose of such an account.

"Keeping accounts" may be a drudgery and a discouragement because of constant worry in trying to remember how every penny was spent, and in trying to balance accounts. Few families have a bookkeeper as a member of the family, and find that the time necessary to account for all money spent is worth more than the amount itself. This puzzling over books that won't balance has often been the cause of failure of an otherwise good system.

Therefore, the first question involved is, that of learning the "why and how" of keeping household accounts. This in time becomes automatic. Secondly, it is a question of learning that the keeping of such accounts is simply done to show where the income has gone; and third,

these accounts form the foundation upon which the budget is based.

The budget, as previously defined is a system of dividing the income so as to show how the money is to be used. To quote from <sup>3</sup>Owens: "It determines in advance how the money shall be divided among the various channels of expenditures and savings. It is an assurance that there will be funds for each of the divisions of living and that none will be neglected. The budget is a key to demands and expenditures which gives mastery over incomes and resources."

To those who find that the use of any system of expenditures is too much trouble, they are no doubt in the upper income level and have sufficient income so that they do not feel the need of a planned system of expenditures; they are not sufficiently educated or interested to shoulder their responsibility; or they shift this responsibility to others, usually their husbands.

The following is quoted from one of the answers received in the questionnaire because it so clearly demonstrates this point. This homemaker whose letter is quoted is a Home Economics graduate who has been married to the manager of a chain grocery store in a small town. The couple has three children, ages, seven, six, and two. Quote: "My husband is very money minded; likes figures; has good judgment and really handles all the buying at our home, as well as all the buying at the store."

"Getting married on a \$25.00 a week income and having a family soon and trying to pay cash for everything was a bit too much for even budgets with illness and no reserve. I spent hours and hours planning

budgets etc., but my husband said with accounting to the 1/2 at the store he would not be willing to come home and explain just what and how much he had spent and donated etc., daily in order to make budgeting possible. He said to let him do the buying and we'd get along O. K. and we have. We owe nothing now except monthly operating—gas, water, telephone, weekly groceries taken out before wages are paid, and quarterly house payments, taxes, etc.—

"I perhaps, have a very unusual situation (not perfect by any means) but unusual in that my husband buys all the groceries. (I order what I'm out of or want but the greatest selection is up to him.) He's in a position to tho I've never seen other — (Grocery) men do it. Perhaps in the eight years, I've shopped for groceries eight weeks. He pays all bills and has paid all installments the day due; buys and selects most of the youngsters clothes and many for me and always on his own. Has excellent taste and knows quality and does it with such little effort whereas I shop and plan and figure and scheme and in the end don't enjoy it as much as he and rarely save enough to warrant it."

The next statement is interesting in that it is contradictory to some of the statements this homemaker made before. She goes on to say: "This is not according to 'Hoyle'. I feel I could take over at any time if I had to and do a fair job of handling the finances. I'm sure I've had the training necessary and tho I detest figures have always managed until I got married and could do it again."

Here is another quotation from a Home Economics homemaker who has been married six years and has two children, five and one years of age. The husband's occupation is "Displayman". Quote: "We found that a bud-

get drives you 'crazy'. Our friends think so too. Most of us women take a list of the bills to be paid, take out first the tithe and then the savings, then pay the bills due at the time and the installments before due. There is a psychological reason for writing out a list--the bills do get paid, there is no worry about doing what the budget book (supposedly an authority and like baby books should be followed to the letter) would have you do, and you keep a closer check on yourself. If you go over, which we find is seldom, you have already paid the due bills and it is only your own allowance or entertaining that suffers. If there is a surplus you can happily pay for something or buy something you didn't expect--without worrying." From the above statement it seems very clear that this homemaker has entirely the wrong conception of the function of a budget much less its use in helping with the solution of financial problems.

From returns, thirty-eight per cent of Home Economics trained women manage the family finances with the aid of a budget while twenty-five per cent of non-home Economics trained women use this help. Two Home Economics women said they used "sort of one." One non-Home Economics woman said she used a "partial budget."

Many homemakers stated that they had used the budget system at one time, or had used it for a few years but were not using it now, that it was "too much trouble." Others stated that after using it for several years the division of income became automatic. With incomes seldom staying stable; standards of living changing; prices fluctuating as rapidly as they have, especially in recent years, it is hard to see how the dividing of an income or expenditures could become automatic.

The question was asked to list how the family income was divided. Many who said that they did not use the budget system still sent in percentages to show how they divided their income. Whether this is guess work on the part of these homemakers it is difficult to say, but without using a budget system of expenditures or a record of expenditures, it would seem as though it would be difficult for these women to know exactly how much of the income was spent for food, clothing, etc. It would be possible for these homemakers, by checking receipts and cancelled checks, to know fairly accurately how much is being spent for shelter, insurance, or other very definite and set expenditures, which change little from year to year, but for food, clothing, operating expenses, etc., it would seem difficult.

In checking figures sent in by homemakers who manage their income and expenditures by the budget system, it was found that their methods of dividing their incomes varied so much, and the figures in many instances were so inaccurate, that it was impossible to chart or make comparisons between expenses of those living in small towns, and those from the larger towns or cities. Past studies between large cities and small villages in government surveys show that city dwelling costs much more, especially for shelter, clothes and food. From the figures checked in this survey in Montana, there seemed to be little difference in the living expenses. The small town families saved a little more than the large town families, but expenses were almost the same. In order to make an accurate check on this, a greater number of homes would have to be investigated and the size of families as well as exact incomes checked accurately.

It was found in the expenses of the families studied that the expense of buying and maintaining the family automobile took a comparatively high per cent of the monthly income. Eleven per cent of the monthly income from the larger towns or city dwellers was spent for car expense, while eight per cent of the monthly income from the small town dwellers was spent for this item of the budget.

In checking these figures with other automobile owners the consensus of opinion was, that the eight and eleven per cents spent for the car represented maintenance and up-keep but not replacement. If replacement of the car were taken into consideration the figures would be higher.

In all cases where the homemaker used a budget in apportioning the family income, she made her own budget, or by using a "standard budget", adjusted it to her own needs. Replies from those who budget, clearly show that "every family is a law unto itself." The following excerpts prove this. One homemaker quoted an article she had read on the subject as her reason for budgeting: "There must be a goal to budget to—one that is desirable to the one who is budgeting. Otherwise, budgeting will be unsuccessful."

Another says: "People in our income bracket, who wish to maintain a good standard of living, and also prepare for the future, must use a budget."

The following letter from another who budgets the family income: "I'm afraid my budget is far from a standard one, but it works for me. I allow nothing for recreation. My husband makes extra money with outside work. (The husband's occupation is 'Special Designer', artist, for the State Highway Department.) This is never a definite amount, so it

cannot be figured in a budget. Out of his extra money he takes care of hospital and doctors' bills, which have been heavy, some savings, and our recreation. Our recreation is horse-back riding seven months out of the year—we own our horses, and care for them ourselves. We do not go to many shows, but usually get community concert tickets. We drive our car very little.

"I feed my family of six on about \$50 a month. Food has always been high in \_\_\_\_\_, I allow \$35 a month for meat and groceries and \$15 for milk and eggs. I buy eggs in summer and put them down in water glass for winter use in cooking. We get a gallon of whole milk every day and every third day a gallon of skim milk. My husband and I drink the skim milk. I use canned milk in cooking. I make my own bread and this is indeed a saving. I can all the fruit we use and make large quantities of jellies and jams.

"We do not spend a great deal on clothes. I make all of the children's clothes and most of my own. ——— Frankly I wish I knew more about financing a family. It is surely a big job. Much married happiness depends on this."

Only one return which was given in sufficient detail to be thoroughly analysed could be termed a model for business management of a home. This homemaker had a clear insight into and made a complete analysis of the problems in her home and seemed to have found the best method for solving them. In checking on this reply it was found that this one homemaker is a Home Economics graduate from \_\_\_\_\_ . She has been married eleven years; she has one child, a boy, of seven years. The husband's occupation is that of a meat cutter and grocer, being part-

tian. She is the only \_\_\_\_\_ graduate to reply to the questionnaire, and a most interesting fact here is, that after checking through fifteen catalogues from colleges and universities where Home Economics is offered as a major course, this institution is one of a small number offering separate courses both graduate and undergraduate in family finance. The undergraduate course at this college, is a two credit course and the work offered is listed as follows: "Earning and spending the income to increase its adequacy and insure economic security. Budgeting, accounting, consumer credits, investments and control of property." The graduate course at \_\_\_\_\_ is called "Advanced Family Finance," and the subject matter is listed as follows: "Factors affecting adequacy and security of family income; spending and investment problems with special reference to consumer credits, insurance and investments."

#### FAMILY COOPERATION.

It has been said by many homemakers that they would use a budget but they get no cooperation from their husbands. To see whether this might be an "excuse or a reason," the questionnaire asked if the homemaker received cooperation in the handling of the family finances. Sixty-eight per cent stated that they had such cooperation. Thirty-two per cent stated that they had little or no cooperation.

Reasons for cooperation or lack of it were given as follows:

"We plan. I spend. My husband's hours are such that he has little opportunity to even do his own buying. It would be more satisfactory if both could spend together. Expenditures would be fresh in the mind of each and the 'why not' this or that would not come up."



Another writes: "We are quite conscientious in keeping records complete each day. We find items listed are helpful for reference and a guide to future buying. We do not take our budget too seriously or make it a burden. We regard it more as an aim or a guide to a well-rounded life."

One woman feels that only through cooperation can finances be well handled when she says: "Full understanding and cooperation between husband and wife the very first necessity in balancing finances."

From another: "Am on an allowance, which is not budgeted. I pay for everything except gas, light and maid. I have the responsibility myself. I do not know my husband's income as it varies (physician) from month to month. I don't even ask him what he has taken in. He takes care of all the insurances——. When I read a survey like this I realize I must run my house rather haphazardly. I pay the bills as far as my allowance goes, sometimes letting them run and again asking for additional money."

Another reply was as follows: "Over my allowance of \$20 a week I may do as I wish but must include food and clothing for self and child, nursemaid, etc.—I'm sure advice on the matter of family budgeting would prove worthwhile.— One of the difficulties in setting up such a budget in the home is that the husband has had no such course. Many husbands refuse to be annoyed with accounting for bus fares, haircuts, postage, and small office supplies."

A non-Home Economics homemaker of twenty-two years of married life writes: "This is a very excellent project. There would be fewer wrecked marriages if both husband and wife had proper perspective of financial

responsibilities and a knowledge of how to handle emergencies that are bound to appear." This homemaker does not use a budget but did for fifteen years.

Another writes: "We do not run our house on a budget as my husband (a banker) does not approve of it, but I do."

The wife of a college professor, and she a Home Economics graduate writes: "I have no cooperation. The family get what they want and I do without.— I do not have a budget because my husband refused to account for what he spends either daily, by the month, or year. I work hard on expense accounts by keeping account of bills we incur. When I try to show where this house is a 'bottomless pit', as far as money leaks are concerned, my efforts are scorned.— Because of lack of cooperation from my husband, I think there was a reflection in the children's attitude as to what should be considered their personal expenditures, and what they 'had coming to them,' as inmates of this household. I am trying to teach the younger children the value of having to spend only what one earns." This woman seems to have the wrong conception of how she could adjust amicably the situation of money management in her own home.

#### HOUSE OWNERSHIP.

Because of recent agitation through government campaigns for home ownership, it was thought worthy to try and learn how many families owned or were buying their homes as compared to those who rented houses. Then, the percentage costs of shelter were compared between those who rented and those who owned their homes. This latter could not be determined accurately because in some of the returns the amounts for taxes was in-

cluded in the shelter costs, and in others it was not. Some homemakers included taxes in operating expenses; others placed taxes under a separate heading; while still others placed taxes in the same column with insurance.

Such questions as to the exact cost of owning a home; exact cost of taxes; exact cost of repairs on a house; exact cost of light, heat, water, etc., would have been valuable data but it was feared that here as well as in other parts of the questionnaire that if too much detailed information were asked the questionnaire would not be answered at all.

For various reasons such as poor living conditions; and in order to stimulate business and provide labor in the building trades, as far back as 1931, the government began active work on better housing in the U. S. At that time the President of the United States called a conference in Washington, D. C. on Home Building and Home Ownership. At this conference several thousand building and trades experts; business men; social workers and homemakers were invited to Washington, to go into the subject of living conditions; building prospects and the home ownership situation thoroughly.

The findings of President Hoover's Conference on Home Building and Home Ownership may be found in the Appendix, Form IV.

Some of the projects listed in the findings of the conference on Home Building and Home Ownership were started, but with the change of Administration in the United States, nothing further was done with the home building program until 1936, when the Federal Housing Act came into existence to assist in solving the financial problems in the building of

homes; remodeling of homes and business blocks; slum clearance and other similar projects suggested at the Conference in 1931. Many of the ideas and ideals advanced at the Conference on Home Building and Home Ownership in 1931, were put into definite working form through establishment of the Federal Housing Act and the Federal Housing Authority, and a building "boom" especially among people in the middle or lower level income group were evident. It is not the purpose here to go into the workings of the Federal Housing Act and how it has proved of assistance to home owners, but information on this subject may be obtained directly from the Government; Building and Loan Associations; Lumber Dealers or Contractors in any town or city. The important thing to note here is, that fifty per cent reported on the questionnaire that they owned their own homes; eleven per cent were buying or building homes; and thirty-eight per cent rented houses. Of this number, among the Home Economics trained homemakers, there were forty per cent who owned their homes; fifteen per cent were buying or building; and forty-five per cent rented. Among the non-Home Economics homes, there were fifty-seven per cent who owned their homes; one who reported buying a home; and twenty-five per cent who rented. It will be noted that the percentage of homes owned in this latter group is far higher. In checking over reports, this may be explained to some extent that among those reporting in the latter group, there were more older families, who were better established in their businesses, while among the

Home Economics group there were more younger homemakers.

It is possible too, that some who were buying homes listed themselves as owning the home instead of buying it.

### CHILDREN'S ALLOWANCES

As stated in Chapter III, in the study of Previous Related Studies, from the survey conducted by The American Home Economics Association and reported in the <sup>14</sup>Joint Issue of The Candle and Cameron Bu Magazine, "there is a wide variation as a result of the attitudes of the parents and the amount of system in the home" with regard to the amount and function of children's allowances.

Economists feel that children should be taught the value of money and the value of making an accounting of money spent. This, economists believe may be done by giving an allowance to children at an early age and teaching them to make an account of how this allowance is spent.

Taber says with regard to children's allowances: "Do not make allowances of spending money to children, for which they are not held carefully accountable. If desired, make gifts of money from time to time to your children, or give them regular sums of money with which to purchase their own clothing and other supplies as soon as they are old enough. Teach them how to keep an expense account and how to buy. Teach them also how to save and as soon as they have accumu-

lated enough, introduce them to the mysteries of a bank account. — Children should be taught four things in relation to money: (a) How to earn and receive; (b) how to spend; (c) how to save; (d) how to give. — Children should be taught early to buy their own small necessities, and as they grow older their own clothing."

To see if the children in the families studied in Montana were being taught the value of money through receipt of allowances, the question was asked: "Do your children have an allowance, and how are the children supposed to use this allowance?" The reports are as follows:

In twenty-seven per cent of the families there were no children; in four families the children were grown and either married or working. Of the remainder, thirty-five per cent of the children received an allowance; thirty-one per cent did not.

Some reporting on this subject said that their children were too young for an allowance. Just how old a child should be before receiving an allowance is a question which may come under the heading of "questionable."

Almost all of the allowances given children were on the weekly basis; two only being given a monthly allowance. Some reports stated that the children could spend the allowance "as he sees fit," or "as he pleases." Almost all the children spent their allowances for recreation, school supplies, church or savings. In not one case among the older children were they required to use their allowance to buy their clothes.

Below are some of the comments made on this subject by those replying to this question on allowances:

"As he sees fit. He does certain jobs for it." This was for a child five years. May working for money rightly be called receiving an allowance?

Another mother with a boy eleven years and twin girls eight years old says: "The boy gets 25¢ weekly, and pays for his own shows, etc., he saves part." The twin girls of eight years receive no allowance, it seems. Two children six, and two and a half years, receive a weekly allowance, and "they are to make their own plans." Can a child two and a half years old make his own plans?

A girl thirteen uses her allowance for "shows, entertainment, ice cream cones, etc."

In one family where there are four children ages twenty, seventeen, twelve, and eight years respectively, they all receive a weekly allowance for "savings and incidentals."

A Mother with a boy eighteen and a girl fifteen gives each child \$.25 weekly for "extra things they may want that we do not feel able to buy."

On the other side of the picture is a family of two children, five and three years of age, who receive a weekly allowance and with it "they buy their large toys, wagons, tricycles, etc., and some clothes." To get such toys as these it would take a large allowance each week and the question may be asked how could children that age buy even some

of their own clothes. The questionnaire was not signed so there was no chance of clearing up what the mother actually meant.

One mother with a boy fourteen and a girl sixteen says "The children did have (an allowance) but are now earning own spending money. Son buys a few defense stamps each week in addition to his own spending money."

The above replies were all from Home Economics graduates.

Among homemakers without Home Economics training the following comments are worthy of note here.

One mother with children eleven and thirteen years of age says that her children do not have an allowance but "they earn spending money, etc., by errands, odd jobs, etc."

In one family where there is a boy of four years, and another boy four months, the "oldest boy has 10¢ per week. Oldest boy gets all nickels for his bank and the baby all of the pennies." The question is raised, "may this latter method of giving children money be termed an 'allowance,' or just a method of 'saving'?"

Another mother with children of eight and five years says that "the children will have an allowance when they are older." She doesn't say how old she thinks children should be before they receive an allowance.

The following report is from a mother of a boy eighteen and a girl twenty-four. "The children had a weekly allowance when small and a monthly allowance when older with which to



buy luxuries and pleasure expenditures. They were required to balance expenditures and keep accounts." This is the only record where children had to account for the way in which they spent their allowances.

#### INSURANCE.

The study of insurance is so complex and so elaborate that no attempt was made in this survey to go into the study deeply. The purpose of including insurance in the questionnaire was, to ascertain how many families had life insurance of any kind; also health and accident insurance, and if possible learn how much insurance was carried.

In the past, particularly after the War Between The States, some insurance companies used unethical selling and management practices which led to disaster for many of the insured and, as a result, suspicion of insurance as a whole was manifest. However, state and federal laws have been enacted which have placed insurance on a more sound basis and the result has been a gradual rise in life insurance selling. It was deemed advisable to see if the reaction to the purchase of insurance in Montana was the same as that recorded in other states.

It is thought that almost all families have some form of life insurance and it was hoped that by wording the question in the questionnaire the way it was done, to learn how much life insurance was carried; whether or not annuities were a part of the insurance plan of the family; to learn how many wives had life insurance; and to learn how many children

were insured.

Replies given by many of those answering the questionnaires were disappointing in that they simply checked the questions and gave no further information. Therefore, exact figures as to amount of insurance carried by the families studied are not accurate. However, in this case as in that of the home ownership question, non-Home Economics families were older and more established in their professions or businesses which may account for the greater amount of insurance carried than in the Home Economics families where the couples were younger and "just getting a start," and as yet cannot afford to carry a great deal of insurance.

Of the total number reporting, ninety-five per cent of the families had some form of insurance. Eighty-nine per cent of the men carried insurance; and forty-three per cent of the women had insurance. Insurance in the form of annuities was reported by sixteen per cent.

Accident and health insurance was carried by thirty-one per cent of the families.

Of the 122 children in the eighty-one families, twenty-one per cent only were insured for a total amount of \$32,500.

The largest amount of life insurance carried by the men was one policy of \$25,000; then one of \$20,000; one of \$17,000, and one of \$16,000. The other insurance policies were from \$1,000 to \$8,000, the majority having policies of \$5,000. These figures are all from non-Home Economics families.

The largest sum for Home Economics families was \$15,000, one of \$12,000; and three policies of \$10,000 each. The other policies ranged from \$1,000 to \$9,000, the majority being under \$5,000.

More Home Economics women had insurance than those in the other group, and many reported that they had taken out their insurance before they were married. One woman had a life insurance policy for \$7,000, but the majority of the women's policies were either \$1,000 or \$2,000.

To compare further insurance as carried by Home Economics and non-Home Economics families, Form V in the Appendix shows how and in what way the insurance is planned.

From the table it can be seen that in the percentage figures the non-Home Economics families are more and better protected by insurance than the Home Economics families with the exception of insurance held by women, in which case forty-eight per cent of the Home Economics women have insurance as against thirty-six per cent of the non-Home Economics women.

In the non-Home Economics families, the figures should, perhaps be altered to read 100% of the men with insurance, for the report in one case was "I do not know whether my husband has insurance or not." However, in this (doctor's) family the three children were insured for \$10,000 so it would seem reasonable to believe that the husband had insurance. This \$10,000 insurance in one family of children also helps show

why children in this group had so much more insurance than the children in the Home Economics group.

As will be noted in Form V, there were three Home Economics families in which no insurance of any kind was carried. No reason for not having insurance was given in the reports. In these three families, one had three children ages four, six, and seven years; one had one child of fourteen years; and the third family had no children.

From the returns it may be assumed that if the families who replied to the questionnaire may be taken as a sample of the average Montana family, the people of Montana believe in insurance as a protection. Whether the majority believe in insurance as a method of saving or a source of income upon retiring from business or a profession may be questioned because of the few (thirteen) annuity policies held and the size of the insurance policies.

Some of those reporting felt that the husband was carrying too much insurance and that the family was being deprived of necessities in order to keep up the insurance payments. As one woman reported: "My husband has an insurance allergy." However, such seem to be isolated cases and are found mostly where there is a lack of cooperation between husband and wife in other money management problems.

WILLS

As was pointed out in Chapter II of the Review of the Literature, "it is the privilege and duty of everyone to make a will and leave his estate in the best possible arrangement for the heirs," and the Montana law on the subject has been quoted.

The subject of "making a will" or "having a will" is one that is avoided, it is claimed. Also, the premise has been advanced that very few women know anything about executing a will, or the responsibilities that will fall upon them in settling a husband's estate should he die without making a will. The following figures have been compiled from answers to these questions in the questionnaires.

Thirty-nine per cent of the men have wills.

Fifty-five per cent of the men do not have wills.

Six women reported that they did not know whether or not their husbands had wills.

One wife had her own will and one widow had made a will.

When asked what they knew about laws governing and executing a will, seventeen per cent reported that they knew "very little;" twenty per cent reported that they knew nothing; while twenty per cent reported that they had made a study of the subject or had had it explained to them.

---

<sup>a</sup> Form No. I, Appendix.

It can be seen that few men have made wills and that few women know what to do after death has entered a home and they have the responsibility of settling the estate. The result in such cases is often a great loss to the estate; delay in settlement of the estate; expensive lawyers' fees; inconvenience in making monthly reports to the court in case of children where there is no will; and finally, disputes and jealousies which arise too frequently when money or property are involved.

One report brought out this point with the following statement: "I learned a great deal through experience when my husband's father died." (The husband of this woman has a will.)

Another report from a woman whose husband is a teacher and who has two children ages eight and five years says: "We have a warranty deed to the house and all insurance is fixed. Our lawyer said that was all that was necessary."

When a young couple without children was asked if they knew that the husband's parents or next of kin could inherit one-half of the husband's estate in case he died intestate, both husband and wife were incredulous until they looked up the Montana law on the subject. The husband, a Principal of an elementary school immediately made out his will.

#### INSTALLMENT BUYING.

Since the industrial revolution, and more particularly since the early part of the twentieth century, installment buying has grown at an amazing rate. Almost any article from

those with a value of only a few dollars to those worth many thousands of dollars may be purchased on this plan.

There is a sharp distinction between credit buying and installment buying which is not always clear in the purchaser's mind. There is the advisability of establishing credit through the use of "charge accounts" which should not be confused with "installment buying." An illustration of the value of establishing credit in this way may be found in <sup>6</sup>Taber, p. 82.

Installment buying is, however, an entirely different proposition and there is much to be said for and against this system of purchasing. Like many systems, it is not the use of a system but its abuse that causes a system to fall into disrepute. It is not the purpose here to discuss the merits of the installment system of purchase nor to produce arguments against such a system. It was thought worth while, however, to learn something about how much installment buying is done in Montana; so the following questions on the subject were asked:

1. Have you ever done any installment buying, such as a car, refrigerator, etc.?
2. Do you know how much more the article cost by buying it "on time" than by paying cash?
3. Was it worth the extra money?
4. Would you do it again?

To these questions, sixty-eight per cent said they had used the installment plan of purchase. Thirty-one per cent had never done any installment buying. Seventy-three per cent

claimed to know how much more the article cost by purchasing it on installments rather than paying cash; two said they did not know and some gave no answer to this question. Fifty-nine per cent said it was worth the extra money to them. Fifty-four said they would do it again, while twelve per cent said they would not buy by this plan again; others did not answer the question.

Answers to the question of knowledge of how much more the article cost by purchasing it on the installment plan should, perhaps not be recorded here, for it is thought that such replies were not sufficiently accurate. Many replied "yes" that they knew how much more the article cost, but when the figures they presented were checked with firms in Missoula who handled those same articles and with finance companies who handle installment paper, such figures did not check.

It was surprising that such a majority, in spite of knowing how much more the article cost by buying on the installment plan rather than by paying cash were willing to use the plan again. Many, however, qualified their stand on the subject as follows:

"Not unless I could manage no other way."

"If we needed a car for work as we do now, we would do it again."

"couldn't have had the articles otherwise."

"At the time, yes."



"Yes, for necessary articles." (The report did not say what was considered "necessary articles.")

"Yes, especially in case of refrigerator, washing machine and range. We do not want to buy another car on installments though."

"Since my husband has always worked for finance companies we buy that way. It was hard for me to do it because of the extra cost but in the long run we have more things bought and paid for now than if we had had to save up the money and then buy them."

"In regards to buying on the installment plan, we have found that the percentage of interest on the articles more than balanced by the use of the articles during the period when we would otherwise have been saving toward the articles."

"Since our refrigerator deal I have questioned the value of paying cash for some articles that may prove defective after installed in one's home. We paid cash for an electric refrigerator to save \$33.00 carrying charge. A wall-to-wall resident here was slowly and deliberately considering one also. She had one installed to "try it out." Ours was not as satisfactory as it should be but nothing was done about it except have the salesman look it over. Ours was paid for-- The other one was returned because no money had been paid on it and a very good one or I should say a perfect one installed. In that case it didn't pay to buy for cash. In the matter of a car, we would never be able to have one except on the installment basis."

"Yes, if not purchased through finance company. Loan from bank— car financed by bank therefore it cost six per cent interest and no carrying charges."

### EDUCATION IN FAMILY FINANCE

Working on the premise that too few homemakers are equipped for the responsibility they assume when they undertake the handling of the family income, the question was asked: "While a student, were you offered a course in Family Finance which included the whole scope of income and expenditure?" This question was directed particularly to the Home Economics homemakers for it was assumed that women who had majored in courses other than Home Economics while in college would not have taken training in family finance. This assumption was justified in that none had taken any such work nor had enrolled in any classes in home management.

Some of the non-Home Economics women said that while they had had no formal training in money management they had had some training and preparation as follows:

"Only my own personal experience in managing on a limited income when a student."

"Only magazine articles."

"Only, from childhood I've had an allowance to keep."

"Except what my father gave me."

Among Home Economics homemakers, replies were most contradictory. Graduates from the same school answered both "yes"

and "no" to the same question.

Asked whether they had been offered a course in Family Finance which embraced the whole subject, eighty-four per cent said "no", while eleven per cent said "yes". In checking these answers, seven of those who answered "no" were graduates from the same schools as the majority of those who said "no". The courses of study from these schools were checked and it was found that in these schools any work offered in family finance was given as a part of the home management course or the course in consumer education.

One reply which said that the homemaker had had training in family finance as a separate course as well as a part of her home management work, was from a graduate of the University \_\_\_\_\_. In checking through the 1939-40 catalogue of this University, the following courses on this subject were scheduled:

H. E. 134, Senior Year

Income Management

H. E. 131

Consumer Buying

Another homemaker who had had a course in family finance while in college was a graduate from \_\_\_\_\_. The course of study at this college has been cited on page 27.

In some states short courses in Family Finance and money management are offered in the free public day and night schools.

Some such work is offered rural women through their State Extension Service in most states. <sup>16</sup>In Montana, a short course was offered as a part of the Smith-Hughes Adult night school program in Butte.

<sup>17</sup>The Montana State Federation of Women's Clubs through the American Home Department offered a short course in Systemic Spending. It was to see if any of those receiving the questionnaire had ever taken any such courses that the question was asked, "Have you had any work or preparation in money management?" The question was either poorly worded or misinterpreted, or none of those answering had taken such courses.

#### THE HOME ECONOMICS CURRICULUM AND FAMILY FINANCE

In Chapter I, under Importance of the Study, it was stated that criticism has been directed toward university courses in Home Economics because, it is claimed, insufficient attention is given to practical training in the phases of financial management with which the student is faced later in life.

All universities and colleges where Home Economics is a major course have in the curriculum a course in home management, a part of which deals with some of the money problems met with in the home. Some courses in home management go into this problem more thoroughly than others; some schools solve certain phases of this problem while the students are in training in the Home Management Centers; other schools study some of these problems in their courses in Consumer Education. However, a

general course dealing with the many money problems with which a family invariably finds itself after establishing a home is not a part of the Home Economics curriculum in most schools.

Educators very frequently look upon a problem from a different view point than those who are faced with solving the problem. To the educator it may seem as though this problem of family finance is being solved sufficiently in the courses now offered in the schools. To learn how Home Economics graduates who are now homemakers felt about the importance of the study, the question was asked:

"Do you think the subject of Family Finance big enough to be a separate course in the Home Economics Curriculum?"

Eighty-four per cent reported that they felt more attention should be paid to the subject and that it was most certainly of enough importance that it should be made into a course for students in Home Economics. Twelve per cent felt that the home management course could handle the problem, and three did not know.

Below are some of the opinions gathered from former Home Economics students:

"Frankly I wish I knew more about financing a family. It is surely a big job. Much of married happiness depends upon this."

"Any assistance that can be given in a wiser use of family income would be most welcome to any housewife. The course should be as practical and simple as possible. After having completed the prescribed course in home economics which primarily

helps us to be better homemakers, I still feel that more knowledge in handling family finances efficiently would be very beneficial."

"I think men students should have the same course in Family Finance as is offered women students."

"By all means. This is an excellent idea. I hope you see it through."

"It seems to me that the big draw back in offering such a course to University students is that they have not had sufficient back ground experience. If they had taken part in family councils regarding the family financial planning, etc., had helped keep accounts and analyze them, etc., they might have, but, I doubt if many of them have."

"I believe that there are very few homemakers who understand as much about this subject as is necessary to manage a home successfully. I personally feel that my education was definitely lacking in that line and have consequently given it quite a bit of study since I have had my own home. I still have not found a system which I feel is entirely satisfactory for my particular case. However, I am sure that I shall in time."

"I feel a course in Family Finance might materially remedy the cause of dissension in the homes. So many girls do not know the value of a dollar. In my work as Home Supervisor in the F. S. A. I have had valuable training in this line of work."

"The trouble with most courses of this type is, that they

tend to be too impersonal and therefore do not make much of an impression on the student even though she may be keeping a sample budget or keeping a budget for herself during the quarter."

"Family Finance is a very vital subject but I haven't the slightest idea if it is big enough to be a separate course."

If a course of study should be organized for University students in Home Economics, what should be included in the course to make it worthwhile? To learn what Home Economics trained homemakers thought should be included in such a course, the request was made:

"Please list all the subjects you think should be included in such a course."

The replies showed clearly that those who answered had come face to face with some of these problems and had felt the need of more education on the subject. The list of subjects that the Home Economics women would like to have included in a course in Family Finance are:

1. Budgets for various wage levels.  
One request underlined practical course in budgeting.
2. Better Daymanship.  
Furniture, cars, emergencies.  
Food  
Marketing  
Household equipment  
Clothing budgets
3. Women's responsibility in regard to all family finances.  
Division of income  
Separate savings accounts  
Wife's share of the income

4. Laws pertaining to
  - Wills
  - Investments
  - Insurance
  - Property transfer
5. Home Ownership
  - Deeds and Abstracts
  - When advisable to buy property and furniture.
  - Taxes
6. Simple accounting
  - Home accounts and home bookkeeping
7. Insurance
8. Banking
  - Savings accounts and investments
  - Secure investments for small savings.
9. Installment Buying
  - Contracts
  - Wise spending
10. Allowances
  - Children's allowances
  - Family allowances and what should be expected of them
11. Economics
12. A study of Pure Food Laws; Labeling, etc.
13. What a wife should know about her husband's business.

---

<sup>14</sup> The Candle of Phi Upsilon Omicron and The Omicron Nu Magazine. Joint Issue, Fall, 1929. p. 34.

<sup>6</sup> C. W. Taber, The Business of the Household. 1916. J. B. Lippincott Co. Philadelphia, Penn. p. 422

<sup>6</sup> C. W. Taber, The Business of the Household. J. B. Lippincott Co. Philadelphia, Penn. P. 82.

<sup>16</sup> Butte High School, Winters of 1929-30 and '31.

<sup>17</sup> American Home Department, State Federation of Women's Clubs, 1932-33-34-35-38.



## CHAPTER VI

### SUMMARY AND CONCLUSIONS

#### SUMMARY.

Having gathered together and recorded findings from the preceding survey, the following summary may be noted:

#### 1. Questionnaire.

- (a) The questionnaire method of conducting any research is not altogether satisfactory because of difficulty in getting replies and because of inaccuracies found in many of the replies.
- (b) College trained and especially scientifically trained people show more understanding of the importance of a piece of research and reply better to a questionnaire.
- (c) More difficulty is experienced in getting information regarding finances than some other phases of homemaking because of a natural reticence to give any information concerning finances.

#### 2. The Family Budget.

- (a) A small per cent (thirty-three) of the families studied used the budget plan of income control.
- (b) There is lack of understanding among many as to just what a budget is; how to make it workable; and how to adjust a budget to the needs and desires of the family.

- (c) There is confusion in many minds as to the purpose of a budget. Many consider it an inflexible system which hampers easy management of family income rather than a movable plan of assistance in helping solve income and expenditure problems.

3. Family Cooperation.

- (a) A majority of the families studied claimed cooperation among members of the family in the matter of family finances. How great was this cooperation was not determined.
- (b) Where no cooperation in the handling of family finances was reported, there was little system used in money management in the home.

4. Home Ownership.

- (a) Fifty per cent of the families studied owned their own homes.
- (b) Eleven per cent were buying homes.
- (c) Thirty-eight per cent were renting houses.

5. Children's Allowances.

- (a) Thirty-five per cent of the children in the families studied received an allowance. Thirty-one per cent received no allowance.
- (b) The children spent their allowances for church, school supplies, pleasures. None purchased clothing.

- (c) Only two children were required to make an accounting as to how their allowance was spent.

6. Insurance.

- (a) Life insurance as a means of protection is used to a high degree among the families studied.
- (b) Whether these families considered insurance as a method of saving money as well as a protection was questioned because:
  - 1. Size of insurance policies.
  - 2. Few annuities reported. (Sixteen per cent).
  - 3. Small number of children's policies.
- (c) In proportion to the men, there are few women with insurance. Eighty-nine per cent of the men had insurance. Forty-three per cent of the women.
- (d) Twenty-two per cent of the children were insured.
- (e) Twenty-one per cent of those reporting carried accident and health insurance.

7. Wills.

- (a) Few families reported having a will.
- (b) Very few women reported knowing anything about executing a will.
- (c) Very few women reported knowing how an estate is settled in case there is no will.

8. Installment Buying.

- (a) The majority of the families studied have made some

purchases by the installment method.

- (b) A majority claim to know how much more their purchases cost by using this plan.
- (c) Those reporting felt that it was worth the extra money.
- (d) The majority of those reporting would, under the same circumstances use this system of purchase again.
- (e) The families studied apparently did not abuse the use of the installment plan of purchase.

9. Education in Family Finance.

- (a) With few exceptions, those reporting felt the need of more training in money management. This was as true for Home Economics homemakers as for those without Home Economics training.
- (b) The Home Economics graduate was conscious of the lack of training in this phase of homemaking.
- (c) Eighty-four per cent felt strongly that a course in Family Finance should be incorporated in every University Home Economics course of study.

CONCLUSIONS.

This study has shown:

1. Lack of business methods in the handling of the family income among a high percentage of families studied.
2. Clear understanding of the value of life insurance as a protection.

3. Lack of understanding as to the importance of having an estate of both real and personal property legally willed before death.
4. Lack of understanding as to the settlement of an estate.
5. Desire for more knowledge and education on the subject of Family Finance.

## CHAPTER VII

### RECOMMENDATIONS

The study on income control has shown existing conditions in some Montana homes and has furnished the background from which further progress on this subject may be made.

As a result of this study and the conclusions reached, the following recommendations are offered in the hope of facilitating better money management in homes. Through education in simple methods of money management it is hoped to aid the homemaker in this perplexing problem.

- I. Homemakers should be given information and help on money management for the family and their homes. This information could be offered in the following ways:

- A. A series of lectures sponsored by some organization such as a College, University, High School, Commercial Club, Women's Clubs, P. T. A., A. A. U. W., or a lodge.
  1. These lectures to be given by specialists in their fields, such as economists, home economists, bankers, lawyers, insurance brokers, finance company officials, or business men.
  2. These lectures to be clear, detailed and practical with the use of as few technical terms as possible.

3. Open forum after each lecture for general discussion.

4. Question box where written questions may be deposited. This would give an opportunity to any one in the audience to ask questions who would not do so orally.

#### B. Adult Classes in Family Finance.

1. Classes organized by adult educational agencies to make a broad study of Family Finance.

a. Classes to be conducted by a trained home economist, or educator in business administration; preferably the former with assistance of the latter.

b. Actual work is done in:

##### 1. Methods

a. Keeping household accounts.

b. Making and adjusting of budgets.

2. Problems of home ownership.

3. Insurance.

a. Life

b. Educational

c. Accident and Health

d. Real estate and personal property  
Fire and theft

Grouping of Insurance

e. Auto

c. Additional work offered on actual financial problems confronting members of the class, such as

1. Installment buying
2. Cash and charge accounts
3. Credit ratings, etc.

d. Technical subjects such as insurance, investments, wills, etc., may be discussed by specialists in their fields.

C. More work should be given in High School Home Economics classes in money management; the keeping of accounts; better buymanship methods; and clothing budgets.

D. In all Colleges and Universities where Home Economics is a major course, there should be a course for upper class women in Family Finance. This course could be planned as a two credit course alone; or it could be combined with a course in consumer education such combined course to be five credits. Below is sketched very briefly a general outline for a proposed course of study in Family Finance for University Home Economics students. The instructor of the course would make her own course of study. This outline simply considers the subjects considered essential for such a course of study; the object being to show how this course may be made both interesting and instru-



ctive, and not as one Home Economics graduate who reported on the questionnaire said, "I admit that it would be very dry to college students but nevertheless would save them money and grief in the end and would be well worth the time."

---

#### PROPOSED COURSE OF STUDY IN FAMILY FINANCE.

Prerequisites: Junior or Senior Standing

Elementary Economics

Suggested Course to be studied during same quarter:

Elementary Accounting.

Text Book: "Economics of the Household," by Benjamin R. Andrews.

Reference Books: Those listed in the bibliography, especially

"Controlling Your Personal Finances" by David F. Owens. Periodicals and Articles listed in the bibliography, and many others which are being printed from time to time.

A. General Survey of the Field of study.

1. Outline of course and the subjects to be studied.
2. Students to hand in a statement showing what background experience or preparation they may have had in finance other than that studied as a prerequisite to the course.
3. Students to read from text and supplementary reading list the fundamental principles of income control.

## B. Household Accounts and Budgets.

1. By means of the "case method" of study, each student is given a "family" to study during the quarter.

This "family" may be either her own family; a local family; or a mythical family.

- a. During the time in which the student is making a study of the family she has been assigned, she is to keep regular household accounts; budget the income; record all income and expenditures for the family and plan for future expenditures.

- b. A chart or table showing records and work done on the project might be considered the same as a "term project."

### c. Illustration of "Case Family."

1. Husband, occupation—Salesman.

2. Wife, full time homemaker.

Couple married twelve years.

3. Children

Boy, 9 years old.

Girl, 6 years old.

4. Income.

- a. Monthly salary, \$200, less social security.

- b. Savings in the bank, \$500.

5. Residence, City of 10,000 population.

- a. Three bedroom house

Buying a home on F. H. A. plan.

1. Figure how much such a house should<sup>1d</sup>

cost for man with this salary.

2. Family had enough money saved for initial down payment required by F. H. A.

6. Family is paying on a \$5,000 life insurance policy. No other life insurance is carried by other members of the family.

a. Insurance on the home covered with F. H. A. loan.

b. Carry fire and theft insurance on furniture and personal effects to the value of \$1,500.

7. Membership in Organizations.

a. Couple belongs to a church and children go to Sunday School.

b. Dinner Bridge Club.

c. Husband belongs to

1. Lodge

2. Service Club

d. Wife belongs to

1. Woman's Club

2. P. T. A.

3. Card Club

8. Family owns a car, two years old, all paid for.

The car is used as general transportation for family.

9. During the year, the wife has an emergency operation for appendicitis.

Boy breaks arm.

Neither of these emergencies had been planned for in the budget.

For this case family, the student is to plan how the income is to be apportioned and spent during a twelve months' period. Actual records of expenditures are to be made during the twelve weeks' period of the quarter. Consideration is to be given especially to upkeep on the house; insurance; investments and any installment buying for which the family may have contracted.

---

In her lecture explaining to the students how they are to carry on this project, the instructor should point out and have class discussion on the incidental expenditures for each member of the family as for instance, the following which have to be taken into consideration in planning the budget:

1. Social Security Deductions.
2. Income taxes.
3. Taxes on house furnishings.
4. Donations to "drives," etc.
5. Car Upkeep and Insurance.
6. Vacations prospects.
7. Emergencies.

Before students get very far in their case study, much of the problem will have been studied from the text, class room lectures, reference study, and outside lectures, so that they will have acquired a working basis for their study.

C. Study of Savings Accounts and Investments.

1. A banker may be called upon to lecture to the class on the following subjects.

a. Savings accounts and interest.

Where planned for in the budget.

b. Investments

c. Speculation

d. Interest on investments.

D. Insurance.

1. In order to get a greater understanding of the many forms of insurance available; the points to be considered before taking out insurance; the best insurance to buy for individual cases; and cost of various insurance policies, an insurance broker should be asked to lecture to the class and explain insurance estates.

2. More than life insurance should be studied.

a. Straight life insurance.

b. Endowment policies.

c. Paid up life policies.

d. Annuity Policies.

e. Joint Insurance.

f. Education Insurance.

g. Accident and Health Insurance.

h. Real Estate and Personal Property Insurance.

E. Home Ownership.

1. Owning vs. Renting.

- a. When is it better to rent a house than to own?
- b. Buy?
- c. Build?

2. Responsibility of home ownership.

- a. Location.
- b. Upkeep.
- c. Amortization.

F. Wills and Trusts.

1. Legal aspects.

2. Joint deeds.

3. Inheritance taxes.

4. A lawyer may be called in to give this lecture to the class. After class discussion, the student should make a will, using the husband in her case family as the testator. These wills may be of either kind and should be handed in for class discussion and correction.

G. Review of Field and Study of Unusual Problems not listed in this outline.

## RECOMMENDATIONS FOR SPECIFIC PROBLEMS

which were

BROUGHT OUT IN RETURNS FROM QUESTIONNAIRE

1. Irregular Incomes.

a. Insurance salesmen; doctors; lawyers; etc.

For those families whose income varies and no set amount may be figured upon each month, the following recommendations are offered:

1. Keep accounts for a given length of time to learn how the income is being spent.
2. Determine approximately the amount of the lowest or medium income for one year and figure budget divisions on that basis.

a. If income is more than figured upon, there will be a surplus at the end of the year which may be used for

1. Luxuries, savings, new furnishings, etc.
2. Budget may be adjusted for the coming year to include this extra income not planned for in the present budget.

2. Where there is lack of cooperation in handling finances.

For the homemaker who handles most of the income and she herself desires to use business methods in the spending of this income, an allowance system is, perhaps the best solution for her.

The homemaker can figure how much has been spent during the past year by the family for upkeep of the family and the home. She may have the necessary amount each month deposited in the bank. She, herself, can make her budget, apportioning the income she receives. What remains of the husband's earnings are his own to spend or save as he wishes. That sum is not the homemaker's responsibility.

Another solution to the problem where the husband does not wish to be "bothered accounting for bus fares, hair cuts, donations, etc.," is for each member of the family to have one column in the budget labeled "husband, miscellaneous;" "wife, miscellaneous;" "son, allowance;" etc. The amount allotted to each member of the family is his or hers to be spent as he wishes and "no questions asked," nor accountings made.

It would seem as though any homemaker who really wanted to make and use a budget system for family income could do so. There are, of course some rare exceptions but these isolated cases only prove the rule.

### 3. Suggestions for Making a Budget.

- a. Set down on paper the divisions into which the income is to be apportioned.
- b. Set down on paper the amounts of fixed expenditures such as
  1. Insurance payments and when.
  2. Taxes
    - a. Income



- b. Real Estate
- c. Furnishings
- d. Personal

3. Social Security Deductions.

4. Fixed operating expenses such as

Water

Rent

Garbage Collection, etc.

- c. Subtract amounts of fixed expenditures from the amount of Income to be budgeted.

Take remainder and divide as household records show seem to be the best divisions.

Caution:

- a. Figure a sufficient amount for emergencies.

This amount, figured with the amounts necessary for insurance payments, taxes, etc., may be placed in the savings department of the bank to draw interest until needed.

- d. Budget Headings should not be too general. Smaller budget headings show more easily and quickly where "leaks" are occurring.

Illustration: The following budget headings are those most generally given on "sample" or "standard" budgets:

Food

Shelter

Clothing

Operating  
Advancement  
Savings

Such headings tell too little. Form No. VI in the Appendix is given to illustrate how a better picture of expenditures is drawn by having more detailed and more closely defined budget headings.

This budget sheet is taken from an actual budget for one month for a family of three, living in a city of 30,000 population. The income is \$275 a month minus social security. The month of February, was selected at random.

This budget is not used here with any idea of showing a "model" budget, but is given as an example of what one family planned and found workable. It has been revised many times according to the changing needs of the family group.

In making a check on this budget some inconsistencies and omissions may be seen which bear explanation. For instance, no provision is made for automobile expense. This family does not have a car, but has access to one but at no personal expense.

Under the headings "Emergency" and "Insurance", where the money is placed in the bank each month there is nothing on the budget sheet to show how much money is in the bank in these funds. It would, perhaps, be better to show these amounts in the "totals" in these columns.

No income tax figure is shown on the budget sheet. The

income tax is paid from interest received from stocks and bonds purchased some time ago.

With her "allowance," the daughter in this family buys her own clothes, accessories, permanent waves, incidentals, and recreation. To assist her with the clothing problem, she does some work outside the home, and some evening clothes, jewelry, etc., are given the daughter by members of the family and relatives on Christmas, birthdays, etc.

The daughter's education is being cared for from an insurance policy, and a separate account book is used for her school expenses.

The only savings planned for in the budget are the insurance and emergency funds.

At one time this family had a vacation fund. Increased living expenses forced a discontinuance of this fund. If no unforeseen emergencies arise during the year, sometimes this fund is used for a vacation trip.

Many of the divisions show the individual character and the deviations made from many of the budgets published, and this budget is given here to illustrate how, by getting a blank or loose-leaf note book and by making more detailed headings, the leaks are shown and adjustments more easily made so that the budget may become a vital part of the family money plan and an aid in helping the family make the most of their income. <sup>18</sup>"The budget is not to be a machine to cramp our spending, but a mechanism to give us greater satisfaction

from our earnings and spending. It is a method to help in the business of living on what we must live on and making the most of it."

---

<sup>18</sup> Helen F. Goodwin, "What is A Family Budget? from the Insurance and the Insurance Critic, May 13-20, 1927.

## APPENDIX

## FORM I

## WILLS AND SUCCESSION

## Revised Code of Montana.

## Section 6974. Who May Make a Will.

Every person over eighteen years, of sound mind may by law will, and dispose of all his estate, real and personal.

Section 6975. A married woman may make a will in the same manner and with the same effect as if she were sole, except that such will shall not be without written consent of her husband, operate to deprive him of more than two-thirds of her real estate, or more than two-thirds of her personal estate.

With regard to written wills, the Montana Law reads as follows:

"Every will, other than a nuncupative will, must be in writing; and every will other than a holographic will, and a nuncupative will, must be executed and attested as follows:

"1. It must be subscribed at the end thereof by testator himself, or some person in his presence and by his direction must subscribe his name thereto.

"2. The subscription must be made in the presence of the attesting witnesses, or be acknowledged by the testator to them to have been made by him or by his authority.

"3. Testator must, at the time of subscribing or acknow-

ledging the same, declare to the attesting witnesses that the instrument is his will.

"4. There must be two attesting witnesses, each of whom must sign his name as a witness, at the end of the will, at the testator's request, and in his presence."

#### 6961. Definition of a Holographic Will.

A holographic will is one that is entirely written, dated, and signed by the hand of the testator himself. It is subject to no other form, and may be made in or out of this state, and need not be witnessed.

#### (Operation and Effect of a Holographic Will)

A writing on a letter head of decedent, in which certain figures were printed in designation of the year in the date, was invalid as a holographic will, though otherwise it met with all the requirements of the section.

#### 6991. Munipative Will. — How to be executed.

A munipative will is not required to be written, nor to be declared or attested with any formalities.

#### 6992. Requisites of a Valid Munipative Will.

1. The estate bequeathed must not exceed in value the sum of \$1,000;
2. It must be proved by two witnesses who were present at the making thereof, one of whom was asked by the testator, at the time, to bear witness that such was his will, or to that effect;

3. The decedent must, at the time have been in actual military service in the field, or doing duty on the shipboard at sea, and in either case in actual contemplation, fear, or peril of death; or the decedent must have been at the time in expectation of immediate death from injury received the same day.

The Montana law further provides for children born after a will has been made either during the lifetime of the testator or after his death. The law also cautions that "care should be taken when leaving 'legacies' and 'property' to state very clearly what that 'legacy' or 'property' is."

#### Succession.

##### 7071. Succession defined.

Succession is the coming in of another to take the property of one who dies without disposing of it by will.

##### 7072. Intestate estate—to whom passes.

Property, both real and personal, of one who dies without disposing of it by will, passes to the heirs of the intestate subject to the control of the district court, and to the possession of any administrator appointed by that court for purposes of administration.

##### 7073. Succession to and distribution of property.

When any person having title to any estate not limited by marriage contract dies without disposing of the estate by will, it is succeeded to and must be distributed unless otherwise provided in this code and the Code of Civil Procedure,



subject to the payment of his debts, in the following manner:

1. If decedent leaves a surviving wife or husband, and only one child, or lawful issue of one child, in equal shares to surviving husband, wife and child, or issue of such child. If decedent leaves a surviving husband, wife, or more than one child living, or one child living and lawful issue of one or more deceased child, one-third to surviving husband or wife, and the remainder in equal shares to his children, and to the lawful issue of any deceased child, by right of representation, but if there be no child of decedent living at his death, the remainder goes to all of his lineal descendants; and if all descendants are in same degree of kindred to the decedent, they share equally, otherwise they take according to the right of representation. If decedent leaves no surviving husband, or wife, but leaves children, the whole estate goes to the issue; and if such issue consists of more than one child living, and the lawful issue of one or more deceased children, then the estate goes in equal shares to children of living, or to children living, and the issue of deceased child or children by right of representation.

2. If decedent leaves no issue, the estate goes one-half to surviving husband, or wife, and the other to the decedent's father or mother in equal shares, and if either be dead the whole of said half goes to the other. If there be no father or mother, then one-half goes in equal shares to brothers or

sisters of decedent, and to children of any deceased brother or sister by right of representation. If decedent leaves no issue or husband or wife, the estate must go to his father and mother in equal shares, or if either be dead, then to the other.

3. If there be neither issue, husband, wife, father, nor mother, then in equal shares to brothers and sisters of decedent, and to children of any deceased brothers or sisters by right of representation.

4. If decedent leaves a surviving husband or wife and neither issue, father, mother, brothers or sisters, the whole estate goes to the surviving husband or wife.

5. If decedent leaves neither issue, husband, wife, father, mother, brothers nor sisters, the estate goes to next of kin, in equal degree, excepting that where there are two or more collateral kindred, in equal degree, but claiming through different ancestors, those who claim through nearest ancestors must be preferred to those who claim through an ancestor more remote.

The law goes further with the disposal of estates among next of kin; with the rights of adopted children, the inheritance of kindred of half blood; and the responsibilities falling upon those who care for such an estate when no will has been left.

---

<sup>1</sup> Harold K. Anderson, and Carl McFarland, Code Commissioners, Wesley W. Hertz, Asst. Code Commissioner. Revised Code of Montana, of 1935, Vol. 3, Civil Code. Section 5669 to 8782.

## FORM II

Missoula, Montana

February 2, 1942

My dear Mrs. \_\_\_\_\_

As a graduate problem in Home Economics at Montana State University, a survey is being made among several hundred homemakers in Montana to try and get some first hand information of financial problems in the home and of how these women are solving these problems.

Enclosed is a questionnaire we have worked out. We should like to have you answer it and return it promptly. The data asked for will assist us in determining what factors influence the handling of the family's finances. With this information we hope to draw some worthwhile conclusions concerning money management in the home.

You will note that we have not asked for any actual figures on income or expenditure; all information may be given by per cents. Also, you need not sign the questionnaire after filling it out, if you do not wish to. In that way, we hope you will give us the information needed and will also feel free to make comments, criticism and suggestions.

Your cooperation in filling out this questionnaire, with any additional information on the subject you care to add will be greatly appreciated.

Sincerely,

## FORM III

1. Name and Address (Optional): \_\_\_\_\_
2. Name of College: \_\_\_\_\_  
     Degree: \_\_\_\_\_  
     Major: \_\_\_\_\_
3. How Many Years Married: \_\_\_\_\_
4. Husband's Occupation: \_\_\_\_\_
5. Family: Boys \_\_\_\_\_ Girls: \_\_\_\_\_ Ages: \_\_\_\_\_
6. Do you use a written household budget in planning family expenditures? \_\_\_\_\_
7. Have you used such a plan since establishing a home? \_\_\_\_\_  
     If not, for how long? \_\_\_\_\_
8. Please list below how you divide the family income. (No actual amounts spent. Use percentage figures. Example: Shelter, 25%, etc.)  
     \_\_\_\_\_
9. Have you made out your own budget or do you use a "standard" budget? \_\_\_\_\_ If you use the latter, where did you purchase it and by whom was it published? \_\_\_\_\_  
     \_\_\_\_\_
10. Do you have the cooperation of your family in planning and expending the family income or do you carry the load yourself? \_\_\_\_\_
11. Do you own your own home? \_\_\_\_\_
12. Do your children have an allowance? \_\_\_\_\_  
     weekly: \_\_\_\_\_ Monthly: \_\_\_\_\_  
     How are the children supposed to use this allowance? \_\_\_\_\_  
     \_\_\_\_\_
13. Insurance? Life \_\_\_\_\_ Annuity \_\_\_\_\_ Health \_\_\_\_\_, etc.  
     Amount? \_\_\_\_\_ Husband \_\_\_\_\_ Wife \_\_\_\_\_ Children \_\_\_\_\_
14. Does your husband have a will? \_\_\_\_\_ What do you know about the laws governing and executing such a will?  
     \_\_\_\_\_

15. Have you ever done any installment buying, such as a car, refrigerator, etc.? \_\_\_\_\_ Do you know how much more the article cost by buying it "on time" than by paying cash? \_\_\_\_\_ Was it worth the extra money? \_\_\_\_\_ would you do it again? \_\_\_\_\_
16. While you were a student, were you offered a course in Family Finance which included the whole scope of income and expenditure? \_\_\_\_\_ Were you offered any work of this kind as a part of your course in home management? \_\_\_\_\_ Have you had any work or preparation in money management? \_\_\_\_\_
17. Do you think the subject of Family Finance big enough to be a separate course in a University Home Economics' Curricula? \_\_\_\_\_ If so, please list below all the subjects you think should be included in such a course: \_\_\_\_\_
18. Comments, criticisms, suggestions: \_\_\_\_\_

## FORM IV

**1 FINDINGS OF PRESIDENT HOOVER'S CONFERENCE  
ON HOME BUILDING AND HOME OWNERSHIP**

1. Each City and Community Should have a Master Plan.
2. Each City Should Be Zoned.
3. All New Homes Irrespective of Income of the Family Can and Should Be of Good Design and Sound Construction.
4. Soundly Built Homes Can and Should Be Rendered Available to All Home Buyers.
5. Home Ownership Should Be a Possibility at Some Time in the Life of Every Thrifty Family.
6. An Adequate System of Credit for the Financing of Homes Should Be Established.
7. Old Homes Should Be Brought Up to Standard.
8. Slums and Blighted Areas Should Be Eliminated.
9. Industry so Far as Practicable Should Be Decentralized.
10. Well-Advised Large Scale Housing Operations Should Be Facilitated.
11. Homes Should Be Freed from Excessive Burdens of Taxation.
12. Beauty as Well as Utility Should Be Made Available Within the Home and in its Surroundings.
13. The Convenience, Protection and Opportunities Enjoyed by City Dwellers Should Be Rendered Available as Rapidly as Possible to the Residents of Rural Districts.
14. There is Need of Better Framed and Better Enforced Legislation with Regard to All Types of Housing for the Protection

of the Home and Community.

15. The Need of Development of Further Research, Information Service, and Public Education.
16. The Promotion of Home Ownership and Better Homes is the Prerogative of All Civic Leaders and Citizens.

---

<sup>1</sup> From the address of Dr. Ray Lyman Wilbur, Secretary of the Interior, at the Closing Session of the President's Conference on Home Building and Home Ownership. December 4, 1931. Washington, D. C.

## FORM V

## HOME ECONOMIC FAMILIES

53 reports

50 families have insurance  
 45 men have life insurance  
 25 women have insurance  
 11 out of 30 children have life insurance.  
 3 families have no insurance  
 6 policies in the form of annuities  
 16 Accident and Health Policies

## NON-HOME ECONOMIC FAMILIES

20 reports

23 families have insurance  
 27 men have life insurance  
 10 women have insurance  
 14 out of 42 children have life insurance.  
 0 families without life insurance  
 7 policies in the form of annuities  
 10 Accident and Health Policies

## Comparisons in the Form of Percentages

95% families have insurance  
 86% men have insurance  
 48% women have insurance  
 14% children insured  
 31% have accident and health insurance

100% families have insurance  
 97% men have insurance  
 36% women have insurance  
 35% children insured  
 35% have accident and health insurance

## AMOUNT OF INSURANCE

35 Families

Men have	\$150,750
Women have	34,000
Children	8,500
	<hr/>
Total	\$193,250

## AMOUNT OF INSURANCE

15 Families

Men have	\$133,500
Women have	19,000
Children	32,500
	<hr/>
Total	\$185,000



FORM VI

Feb.	Ins. \$56.	Rent \$50.	Operating \$22.50					Supplies \$5.00	Food \$45.
			Elec. \$6.60	Tel. \$3.00	Oil \$10.50	H <sub>2</sub> O \$2.40	Help \$10.00		
1									.89
2							1.90	.25	.98
3	Ins.								.15
4	in bk.					1.95		1.28	.30
5	50.00		6.73	2.92					5.26
6							.65		
7					19.00			.78	.57
8									16.70
9									1.90
10							2.25	.20	
11									2.68
12									1.80
13								.88	.14
14									.10
15									M.O.
16									2.20
17							2.50	.35	.36
18									.68
19									.23
20									.34
21		50.00							
22								.25	.35
23							1.05		.25
24									.30
25									.23
26								.25	M.O.
27									3.25
28							2.00		1.30
29									
30									
31									
Totals	50.00	50.00	6.73	2.92	19.00	1.95	10.35	4.24	40.86
On hand Feb. 1	65.00	50.00	7.15	3.15	12.50	2.80	12.50	2.74	51.40
Spent in Feb.	50.00	50.00	6.73	2.92	19.00	1.95	10.35	4.24	40.86
On hand Feb. 28	15.00	00.00	.42	.23	31.50	.85	2.15	1.50	10.54
Add, March 1	56.00	50.00	6.60	3.00	10.50	2.40	10.00	5.00	45.00
On Hand, March 1	71.00	50.00	7.02	3.23	21.00	3.25	12.15	3.50	55.54

FORM VI

Cloth. \$19	Dr. Dent. \$8.00	Personal Care \$8.00	Clubs Lodges \$5.50	Mag. Papers Books \$2.50	Gifts \$10	Church Char. \$5.00	Rec. \$4.75	Daughter Allowance \$10.00	Husband Misc. \$1.50	Wife Misc. \$1.50	Emergency \$10.00
1.00	3.59	1.00				2.00		10.00			
4.65		.65		.25	.10		.60		2.00	.50	In bk. 10.00
1.00	1.79	1.15	W.C. 5.15		2.25		.25				
		.65		1.15			.45			.70	
	1.79	1.00				.25					
6.65	7.17	4.45	5.15	1.40	2.35	2.50	1.05	10.00	2.00	1.20	10.00
27.80	4.85	.70	6.50	2.20	(11.10)	16.40	2.25	10.00	(1.50)	1.35	10.00
6.65	7.17	4.45	5.15	1.40	2.35	2.50	1.05	10.00	2.00	1.20	10.00
21.15	(2.52)	(2.75)	1.35	.30	(13.45)	13.90	1.20	00.00	(3.50)	.65	00.00
19.00	8.00	8.00	3.50	2.50	10.00	5.00	4.75	10.00	1.50	1.50	10.00
40.15	5.63	4.25	4.35	3.30	(3.45)	13.90	5.95	10.00	(2.00)	2.15	10.00

## BIBLIOGRAPHY

<sup>1</sup> Miss Sophia W. Bliven, "Where's That Rainbow?" Insurance Magazine, November 1941.

<sup>2</sup> Benjamin R. Andrews, Economics of the Household. Its Administration and Finance. Revised Edition. (New York: The MacMillan Company, 1935.)

<sup>3</sup> David F. Owens, Controlling Your Personal Finances. (New York: McGraw-Hill Book Company, 1937.)

<sup>4</sup> Consumers' Guide, "Keeping Consumer Accounts," United States Government Publication, after 1935.

<sup>5</sup> Howard French Bigelow, Family Finance. A Study in Economics of Consumption, (Chicago: J. B. Lippincott Company, 1936.)

<sup>6</sup> C. W. Taber, The Business of the Household. (Philadelphia: J. B. Lippincott Company, 1918.)

<sup>7</sup> Maxwell S. Stewart, How We Spend Our Money. Public Affairs Pamphlets, No. 10 (Revised.) (New York, 30 Rockefeller Plaza.)

<sup>8</sup> Living On A Small Income. Household Finance Corporation, Department of Research, Chicago, Illinois.

<sup>9</sup> Woods, Lindquist and Studley, Managing The Home. (New York: Houghton, Mifflin Company, 1932.)

<sup>10</sup> Roger W. Babson, Syndicated Article in The Daily Miscoulian, Missoula, Montana, January 16, 1942.

<sup>11</sup> Josephine Lawrence, If I Have Four Apples, (New York: Frederick A. Stokes Company, 1935.)

<sup>12</sup> United States Bureau of Labor Statistics, Monthly Labor Review, March, April, June, Aug., Sept., Oct., Nov., Dec., 1918. See also Appendix A., Family Budgets of American Wage Earners, National Industrial Conference Board, 1921.

<sup>13</sup> Sixth Annual Report, United States Commissioner of Labor, 1891.

<sup>14</sup> "Harvesting and Harnessing the Dollars," Joint Issue, Fall, 1927, of The Centile of the Dession Omeron, Vol. IV. No. 1, and Omicron the Magazine of Omeron Hu, Vol. IX. No. II.

15 Consumer Purchases Study, Family Income and Expenditures, Plains and Mountain Region. Part I, Family Income. Part II, Family Expenditures. Miscellaneous Publication No. 345 and No. 396. United States Department of Agriculture in cooperation with the W. F. A.

16 Course of Study offered at Butte High School, Butte, Montana, Winters of 1929, 1930, 1931.

17 Mimeographed Course of Study written especially for American Home Department of the Montana Federation of Women's Clubs, 1932 to 1938.

18 Helen P. Goodwin, "What is a Family Budget?" from the Insurance and the Insurance Critic, May 13-20, 1927.

## MATERIAL USED IN PREPARATION

## A. BOOKS

1. Abel, Mrs. Mary W., Domestic Economy, Successful Family Life on Moderate Income. (Philadelphia: J. B. Lippincott Company, 1921.)

2. Anderson, Harold K., and McFarland, Carl, Code of Commissioners, Wertz, Wesley H., Asst. Code Commissioner. Revised Code of Montana of 1935, Vol. 3, Civil Code, Section 5600 to 5702.

3. Andrews, Benjamin R., Economics of the Household. Its Administration and Finance. Revised Edition. (New York: The MacMillan Company, 1935.)

4. Bigelow, Howard French, Family Finance. A Study in the Economics of Consumption, (Chicago: J. B. Lippincott Company, 1936.)

5. Brookman, Thiruthis, Family Expense Accounts. (New York: D. C. Heath and Company, 1916.)

6. Bruere, Martha, and Bruere, Robert, Increasing Home Efficiency. (New York: The MacMillan Company, 1913.)

7. Calvert, Maude Richman, and Smith, Leila Bruce, Advanced Course in Home Making. (Atlanta, Ga.: Turner E. Smith and Company, 1939.)

8. Carter, Helen M., Home Economics and The College Student. (New York: Farrar and Rinehart, Inc., 1940.)

9. Coles, Jessie V., The Consumer-Buyer and The Market. (New York: J. Wiley and Sons, Inc., 1938.)

10. Donham, S. Agnes, Spending The Family Income. (Boston: Little, Brown and Company, 1921.)

11. Hoyt, Elisabeth Ellis, The Consumption of Health. (New York: The MacMillan Company, 1926.)

12. Justin, Margaret M., and Rust, Lucile Osborne, The Home and Family Living. (Chicago: J. B. Lippincott Company, 1941.)

13. Kyrk, Hazel, Economic Problems of the Family. (New York: Harper and Brothers, 1933.)

14. Lawrence, Josephine, If I Have Four Apples. (New York: Frederick A. Stokes, 1936.)

15. Nystrom, Paul H., Economic Principles of Consumption. (New York: The Ronald Press Company, 1929.)
16. Owens, David F., Controlling Your Personal Finances. (New York: McGraw-Hill Book Company, 1937.)
17. Phillips, Velma, Evidence of Need of Education for Efficient Purchasing, Etc. (New York: Teachers College, Columbia University. Published also as a thesis (Ph. D.), Columbia University, 1931.)
18. Havenhill, Alice, and Schiff, Catherine J., Household Administration. (New York: H. Holt and Company, 1911.)
19. Reid, Margaret G., Consumers and the Market. Second Edition. (New York: F. S. Crofts and Company, 1939.)
20. Schluter, W. C., How To Do Research Work. (New York: Prentice-Hall, Inc., 1929.)
21. Shields, H. G., and Wilson, W. Harmon, Business Economic Problems. (Cincinnati: South-Western Publishing Company, 1935.)
22. Taber, Clarence Wilbur, The Business of the Household. (Philadelphia: J. B. Lippincott Company, 1916.)
23. Taber, Clarence Wilbur, and Wardell, Ruth A., Economics of the Family. (Philadelphia: J. B. Lippincott Company,
24. Webster's Collegiate Dictionary, Fifth Edition. (Springfield, Mass., G. & C. Merriam Company, 1936.)
25. Wood, Mildred Weigley, Lindquist, Ruth, and Studley, Lucy A., Managing The Home. (New York: Houghton, Mifflin Company, 1932.)

#### B. PERIODICALS

1. Blackburn, director, and Dodge, Bernice, Home Economist, Better Daymanship. (Chicago: Household Finance Corporation, 1936.)
2. Blivens, Miss Sophia E., "Where's That Rainbow?" Insurance Magazine, Newark, N. J., November, 1941.
3. Cation, Janet G., Putting Over Budget Lessons. Iowa State Extension Service, Ames, Iowa.

4. Consumer Expenditures in the United States. Prepared under the direction of Dr. Hildegard Kneeland for the National Resources Committee. United States Government Printing Office, Division of Public Documents, Washington, D. C., 1936.

5. Consumers' Guide, "Keeping Consumer Accounts." A Publication of the Department of Agriculture, Washington, D.C. Since 1935.

6. Consumer Purchases Study. Family Income and Expenditures. Part I. Family Income, Part II. Family Expenditures. Miscellaneous Publication No. 345 and No. 396. United States Department of Agriculture in cooperation with the W. F. A.

7. Jodi, Allen R., "The Ups and Downs of Family Finance." The Good Housekeeping Magazine, 57th Street at 8th Avenue, New York City, N. Y.

8. Jodi, Allen R., Budget Consultant, "First Aid for Ailing Finances." Good Housekeeping Magazine, 57th Street at 8th Avenue, New York City, N. Y.

9. Dublin, Lewis I., Statistician, Metropolitan Life Insurance Co., and Berridge, William A., Economist, Metropolitan Life Insurance Co. "The Need for a New Survey of Family Buying Habits." From articles appearing in the New York Times, May, 1931, and in The Annalist, July 17, 1931.

10. Freeman, Olive W. "Budget and Like It." American Home Magazine, New York City, August, 1933.

11. Friend, Kate Roman, "Earning and Spending The Family Income."

12. Goodwin, Helen F., "What is a Family Budget?" from Insurance and The Insurance Critic, Newark, N. J. May 13-20, 1920.

13. "Harvesting and Harnessing the Dollars," Joint Issue, Fall, 1927, of The Candle of Phi Upsilon Omicron, Vol. XV. No. I, and Omicron Nu Magazine of Omicron Nu, Vol. IX. No. II.

14. Haskins, Charles Waldo, "How To Keep Household Accounts." Harper and Brothers, New York. 1903.

15. Jordon, David Francis, "Managing Personal Finances." Business Forecasting. (New York: Prentice-Hall, Inc. 1921.)

16. Marrying On A Small Income. Household Finance Corporation, Department of Research, Chicago.



17. Richardson, Anna Steese, Adventures in Thrift. Indianapolis: The Bobbs-Merrill Company, 1916.

18. "Should Women Insure Their Lives? Courtesy of The Ladies' Home Journal, December, 1921. Printed by the New York Life Insurance Co., New York City, N. Y.

19. Sixth Annual Report, United States Commissioner of Labor, 1891. United States Printing Office, Washington, D. C.

20. Stewart, Maxwell S., How We Spend Our Money, Public Affairs Pamphlets, No. 18 (Revised,) New York: 20 Rockefeller Plaza.

21. Taylor, James S., How Much Can a Family Afford To Spend on its Home? American Building Association News, December, 1932.

22. United States Bureau of Labor Statistics, Monthly Labor Review, March, April, June, Aug., Sept., Oct., Nov., Dec., 1918. See also Appendix A., Family Budgets of American Wage Earners, National Industrial Conference Board, 1921.

23. Wilbur, Ray Lyman, Secretary of the Interior at the Closing Session of the President's Conference on Home Building and Home Ownership, December 4, 1931, Washington, D. C.

24. Winter, Alice Ames, "The Family Purse," The Ladies' Home Journal, May, 1925. The Curtis Publishing Company, Independence Square, Philadelphia, Pa.

25. Woodhouse, Chase G., Home Economist, Bureau of Home Economics, Planning and Recording Family Expenditures, Farmers' Bulletin No. 1553, United States Department of Agriculture, 1927.

26. Woodhouse, Chase G., Home Economist, Bureau of Home Economics, Planning Your Family Expenditures. Miscellaneous Circular No. 68, United States Department of Agriculture, July, 1926.

#### C. NEWSPAPERS

1. Roger W. Babson, Syndicated Article in The Daily Missoulian, Missoula, Montana, January 16, 1942.

## D. UNPUBLISHED MATERIAL

1. Course of Study offered at Butte High School, Butte, Montana. Smith-Hughes Adult Night School Classes, Winters of 1929, 1930, 1931. Prepared by Georgia C. Roosevelt.

2. Mimeographed Course of Study written especially for the American Home Department of the Montana Federation of Women's Clubs, 1932 to 1936. Prepared by Georgia C. Roosevelt.